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ABSTRACT

This paper discusses a number of topics related to the educational role and financial support of nonpublic elementary and secondary schools in the United States, with emphasis on the importance of private philanthropy in providing financial support for such schools. Section 1 briefly examines the scope of nonpublic elementary and secondary education in the U.S., both in terms of the number of such schools and their enrollment and in terms of their financial resources and operating costs. Section 2 discusses the public purposes and benefits of nonpublic schools. Section 3 examines the relationship of private philanthropy to nonpublic schools. Section 4 presents comparative financial analyses of the expenditures and income for a group of church-related schools affiliated with the Lutheran Church-Missouri Synod and for a group of independent private schools. (Author/JG)

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THE NONPUBLIC SCHOOL AND PRIVATE PHILANTHROPY

A Report

for

The Commission on Private Philanthropy and Public Needs

Washington, D.C.

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THE NONPUBLIC SCHOOL AND PRIVATE PHILANTHROPY

This paper is prepared for the Commission on Private Philanthropy and Public Needs by the Council for American Private Education, Dr. Robert Lamborn, Executive Director, in cooperation with Messrs. Cary Potter, President, National Association of Independent Schools and Al Senske, Secretary for Elementary and Secondary Education, Board of Parish Education, Lutheran Church-Missouri Synod. The Council for American Private Education is a federation of nine national organizations serving or operating nonpublic elementary and secondary schools. Its membership includes the American Lutheran Church, Friends Council on Education, Lutheran Church-Missouri Synod, National Association of Episcopal Schools, National Association of Independent Schools, National Catholic Educational Association, National Society for Hebrew Day Schools, National Union of Christian Schools and the U.S. Catholic Conference.

The paper deals with the following: the dimensions of nonpublic elementary and secondary education; the public purposes of nonpublic schools; analyses of financial profiles of two categories of nonpublic schools (independent schools and church-related schools affiliated with the Lutheran Church-Missouri Synod); the place of philanthropy in relation to nonpublic schools.

Additional information on the subject of nonpublic schools and philanthropy has been submitted to the Commission in the form of a paper prepared by Donald A. Erickson, entitled "Philanthropy, Public Needs, and Nonpublic Schools" and as a part of the materials prepared by the U.S. Catholic Conference on Catholic Schools.

The thesis of this paper is

(1) That the nonpublic elementary and secondary schools form a significant element of the educational resources of the nation.

(2) That the nonpublic school, associated with the educational fabric of this country since its earliest colonial days, serves a number of important public purposes.

(3) That there has always been associated with the nonpublic school an important measure of private philanthropic support, its only partner in the absence of public support.

(4) That philanthropic support today and in the future is a critical factor in the maintenance and development of existing institutions as well as in the creation of new.

(5) That a public policy fostering the widest possible encouragement of philanthropic support of private educational, social, cultural and health institutions is essential for the maintenance of a vital private sector of elementary and secondary education.

I. The Dimensions of Private Elementary and Secondary Education

A. Schools, Enrollments, Classification

Private elementary and secondary education, or nonpublic, as it is often called, is made up of approximately 17,000 schools, enrolling 5,300,000 students, of whom some 75% are in elementary grades, and 25% in secondary. The total enrollment constitutes 10% of the nation's population of school-age children. As a comparative measure of the magnitude of this segment of education, its enrollment is equivalent to some 50% of the total enrollment in U.S. higher education, and greater than the public school enrollment of a state.

The nonpublic sector of elementary and secondary education is diverse in its make-up. Religiously affiliated schools enroll the major portion of the nonpublic school population, some 91%.* Roman Catholic school enrollment represents some 82% of the elementary and 75% of the secondary nonpublic enrollment. Other religiously affiliated schools include many other denominations such as Lutheran, Seventh Day Adventists, Jewish, Episcopal, Christian Reformed, Friends, Baptist, Methodist and Presbyterian, with percentages ranging from a fraction to 4.5%. Schools which are not affiliated with a church are variously referred to as independent or private and constitute in enrollment some 9% of the nonpublic sector. The typical independent school is organized as an independent nonprofit tax exempt institution, governed by an elected Board of Trustees with ultimate responsibility for the institution. The figures used above are national. There is considerable variation in the relative size of the nonpublic population in different regions of the country - with the range running from 1.6 million in the mid-Atlantic states to 60,000 in the Rocky Mountain states. The average nonpublic school is relatively small in size, the average being just under 300.

B. Financial Dimensions

There are two aspects of the overall financial dimensions of the nonpublic school sector: one, the capital investment in facilities and endowment; the other, the operating costs. While exact statistics on capital investment are hard to come by, reasonable estimates are that the nonpublic schools represent an investment of several billion dollars. The President's Commission on School Finance in its 1972 Report to the President estimated that major closing of nonpublic schools could require a public outlay of as much as 10 billion dollars to provide the necessary public facilities.** The annual operating costs of the nonpublic schools are estimated to be some $6 billion.***

*The figures in this paragraph are based on the U.S. Office of Education publication, Statistics of Nonpublic Elementary and Secondary Schools, 1970-71 (DHEW Publication No. (OE) 74-11420).

**Report of the Commission on School Finance, 1972

***U.S. Department of HEW Release, dated 9/8/74

The entire amount of the capital investment indicated above has been contributed by private philanthropic sources over a period of hundreds of years, and continues to be so provided, through the gifts made by countless individuals either directly to schools or indirectly through religious institutions.

The annual operating costs referred to above are met by a combination of paid tuition and philanthropic contributions. There is a wide range of the mix of these elements, running from one extreme where almost the entire cost is borne through philanthropic sources, to the other where almost the entire cost is borne by tuitions. In Section III B figures are provided to illustrate the pattern of operating costs and income for two categories of nonpublic schools: one, independent schools, which must place reliance on tuition as a major source of revenue with philanthropy providing an essential supporting role; and two, schools of the Lutheran Church-Missouri Synod, whose tuition income is supplemented in a major way by a combination of direct and indirect (via the Church) philanthropy.*

II. The Public Purposes of the Nonpublic School

The nonpublic school serves a number of public purposes. The most obvious is that it provides for that segment of the population which makes use of it the basic elementary and secondary education deemed adequate by the states in satisfaction of their respective requirements to be fulfilled under compulsory school attendance laws. Such laws recognize the rights of parents to fulfill the requirements for education of their children in acceptable private institutions as well as the rights of such institutions to exist. The existence of both these rights has been fully confirmed by the U.S. Supreme Court in its landmark decisions in the Dartmouth College v. Woodward case of 1819 and the Pierce v. Hill Military Academy and the Society of Sisters cases of 1925.

In addition to being a part of the resources which fulfill the basic public purpose of the development of an educated citizenry, the nonpublic school contributes an important factor of diversity in elementary and secondary education. Otto Kraushaar, in his study entitled American Nonpublic Schools - Patterns of Diversity (1972), had this to say on the significance of this factor: "The one principle that should be uppermost in judging the justification and limits of the state's intervention in education is the significance of pluralism in a democratic society - the recognition that variety, alternatives, choices and multiple centers of initiative are essential for continuous social renewal." The nonpublic school spectrum is diverse as to purpose, sponsorship, form of organization, religious affiliation, educational philosophy, method, and style. It includes schools that are church affiliated and non-church affiliated schools, elementary, secondary, day, boarding, coeducational, single sex, "progressive," "traditional," schools over 300 years old and schools in their first year, as well as schools of special purpose. The diversity stems from two interrelated forces arising out of parental as well as student preference in the search for an

*The Lutheran figures may be taken as generally representative of religiously affiliated schools where a substantial degree of church-channeled support exists. It is understood that data on schools affiliated with the Catholic Church have been supplied in other documents prepared for the Commission.

appropriate setting and style and focus of education, and the parallel search on the part of educators for different ways to provide elementary and secondary education. Education in its broad sense is a sensitive human enterprise that goes well beyond the teaching and learning of basic academic skills. Even if there were full consensus on how to deal with the skill portion of education, and there is not, there will continue to be wide difference in the views which people hold with respect to the place in education of spiritual, social and personal development alongside of which skills are to be taught and learned. There is no one right way of educating young people and it is beyond the capacity of any one system, public or private, to provide the options wanted or needed. The freedom to seek what one perceives as desirable education, and the freedom to offer what one believes to be desirable education are essential freedoms, and they find a particularly clear expression in the wide diversity among nonpublic schools.

Beyond ensuring a needed element of diversity at any given time in our society's development, the nonpublic school in a collective sense provides an avenue for the expression of new trends, sometimes in protest, sometimes to meet a changing set of societal needs and conditions. The earliest nonpublic schools, which go back in origins to 1638 (in existence today are three schools founded in 1638, 1645, and 1660 respectively), tended to have a special focus of classical education in preparation for the ministry and the public professions, critical needs in a nascent society. As the society developed a need for a more general education, the Academy, privately sponsored and directed, often privately funded but sometimes publicly too, appeared on the scene to meet that need. With the mushrooming of the public high school in the latter years of the 19th century, with its emphasis on broad general secondary education, the private school developed a special focus on preparation for higher education. The middle and latter years of the 19th century saw the vigorous growth of the Catholic schools as a protest against the then dominant Protestant cast of public education. And other religiously connected schools came into being, and continue to come into being, to maintain the cultural and religious identity of other groups in the society.

The nonpublic schools, both old and new, were prime movers in the early part of this century in the development of a new direction in education that came to be known as the Progressive Movement. In the 1940's and 50's the concept of advanced placement in colleges and the machinery to make it possible had its origins in the joint action of certain nonpublic schools and colleges. In most recent times, in protest against sluggish and unchanging public institutions, there arose a new movement of alternative schools, some of them to test and demonstrate different approaches to teaching and learning, some to provide opportunities for some degree of choice for minority families hedged in by and dissatisfied with the limited fare available in existing urban schools. Often weak and ill-supported, this new alternative movement nevertheless has had its impact on public education, where the trend to provide alternatives and options within the public system is daily more evident.

If the history of private elementary and secondary education demonstrates anything, it demonstrates both the diverse nature of educational need and preference at any given time as well as the need for maximum opportunity for new

initiatives as societal conditions change and an understanding of the process of education develops. A dynamic society requires that kind of diversity and opportunity as it seeks to improve the quality of life, and the nonpublic school helps to provide it in its field as do private colleges, medical institutions, museums, cultural and social agencies in theirs. "In short, if there were no nonpublic schools, people would have to invent them - which in fact they are doing every day . . ."*

III. Philanthropy and the Relationship to the Nonpublic School

A. Summary of the ways in which philanthropy is involved with nonpublic education

Philanthropy is an essential ingredient to the nourishment of a climate in which private initiative can exist and it is an essential ingredient, therefore, to the nonpublic school. Elementary and secondary education is not a profit-making enterprise. With only an insignificant number of exceptions, nonpublic elementary and secondary schools are either nonprofit tax exempt organizations themselves, or are the creatures of other nonprofit tax exempt entities such as churches. Unlike the situation of many other such institutions in higher education and other "public-weal" fields such as health, art, social welfare, there are virtually no public funds, state or federal, available to the nonpublic school. (There are, it is true, certain limited services made available to nonpublic schools in the form of transportation, special guidance and remedial services, food and milk subsidies, but these are of little value as operational support and are limited in applicability, and they are of no value for the starting of a new school.) Thus to all intents and purposes, the only partner that the nonpublic school has is private philanthropy.

Philanthropy is the sole supporter of the founding of a new school, and it is the creation of new entities in response to new needs that is one of the most creative and useful aspects of the nonpublic school. Likewise, philanthropy is the sole source of funds for necessary growth and new facilities in an established school.

With respect to operations, philanthropy likewise plays a critical role. The amount of dependence on philanthropy in terms of percentages of budget may vary widely depending on the weight placed on tuition income. Those private schools which finance their operations with substantial tuitions may appear to depend on philanthropy only to a small degree. Those relying on heavy church subsidy and very low tuition are dependent indirectly on philanthropy (to the church) to a large degree. In actual fact, the philanthropic factor is critical in both cases since in the higher tuition schools it is the philanthropic margin which enables the school to stay alive; and generally it is the philanthropic factor which is responsible for the school's ability to serve those who cannot afford the full cost, as well as for the school's capacity to undertake new and creative activities beyond the routine. In Section IV are presented some average and typical independent and Lutheran school financial profiles which demonstrate the critical nature of philanthropic support.

*American Nonpublic Schools, Otto Kraushaar, Johns Hopkins University Press, 1972, p. 317

1. Sources and amounts of philanthropy - In an earlier section reference was made to an accumulated capital investment of up to $10 billion in nonpublic schools, nearly all of which can be attributed to past philanthropy. As to current philanthropy, in his paper prepared for the Commission, entitled "Philanthropy, Public Needs and Nonpublic Schools", Professor Donald Erickson estimates the total annual philanthropic dimension in the nonpublic school to be in the neighborhood of $174 million in direct contributions and $537 million in indirect philanthropy through religious entities. The sources of this significant support are varied and include parents, alumni and friends, for the major share, with some additional support from foundations and corporations.

Professor Erickson and others have provided more detailed information on the philanthropic component of the church-affiliated schools. For the independent sector of nonpublic schools the following figures are illustrative of the pattern and scope of philanthropic support:

1972-73 Gift Support for 567 Independent Schools

Individuals (Parents, Alumni, Friends)	Foundations	Corporations	Total
$106,481,000	$24,501,000	$3,149,000	$134,131,000

"Of this total, approximately one third was for annual operating expense and about two thirds for capital expense. It is clear from the figures above that just under 80% of the total contribution is coming from individuals. *

2. Philanthropy and the nonpublic school in a collective sense - In addition to the major philanthropic support going to nonpublic schools individually for operational and capital purposes, there is a significant category of philanthropic support in the form of foundation grants to groups of nonpublic schools, or nonpublic school agencies, for research and for innovative and developmental projects of value to education and society.

To illustrate, major grants from the Danforth and other foundations made possible the first inclusive study of the nonpublic school world as a whole and resulted in the publication of the study's report entitled American Nonpublic Schools - Patterns of Diversity, by Otto Kraushaar, 1972. Grants from the Danforth and Ford Foundations made possible the creation of the Council for American Private Education, the first federation of national organizations serving or operating some 95% of the nonpublic schools in the country. Grants from the Ford Foundation, the Rockefeller Foundation, the Mellon Foundation, the Edward E. Ford Foundation, the Independence Foundation, the Sperry & Hutchinson Foundation, the Charles E. Merrill Trust, the Sears Roebuck Foundation, to name but a few of more than one hundred, have supported the special scholarship program for several thousand minority students under the A Better Chance project, amounting to more than $5 million since 1963.

Grants to the National Catholic Educational Association by the Ford Foundation made possible the setting up of regional urban public-private cooperative efforts in several major cities, and grants from the Carnegie Corporation underwrote major research studies of Catholic education as well as the development of effective data gathering capacity for Catholic schools.

*Annual Statistics, NAIS Report No. 49, February 1974

Grants from the Werner Foundation and others enabled the Lutheran Church-Missouri Synod to conduct a research study on the impact of education in Lutheran schools on those who had attended. Grants from the Rockefeller Brothers Fund along with others have supported the development under the sponsorship of the National Association of Independent Schools of the Greater Boston Teachers Center, an experimental project in teacher education for public and private school teachers. In the case of National Association of Independent Schools alone support of this kind has amounted to over $1.5 million in the past six years.

This kind of activity on the part of philanthropy has had two results: (1) it has enabled the nonpublic school community as a whole, or substantial segments of it, to undertake effective projects of research and development directed toward improving its services to education; (2) it has enabled philanthropic resources to make use of the special characteristics of a variety of kinds of educational resources in elementary and secondary education. While the amount of this kind of philanthropic support is dwarfed by the amount coming regularly from individuals directly and indirectly in the form of support for operations, development and capital purposes, it is nonetheless a critical and growing element of support that greatly enhances the ability of the nonpublic sector to contribute effectively to the development of elementary and secondary education.

IV. Analysis of Financial Operations and Philanthropic Support

This section is devoted to an analysis of the financial facts of operations of two categories of nonpublic schools, independent schools and schools affiliated with the Lutheran Church-Missouri Synod.

A. Operational Analysis

Table 1 provides figures for independent day schools and shows the breakdown of per student dollar figures of expense and income, as well as the percent of budget, for an average of 166 day schools as well as for two typical individual schools.

Table 2 provides similar information for 112 independent boarding schools and two typical individual schools.

Table 3 provides similar information on an average basis for 1239 elementary day schools of the Lutheran Church-Missouri Synod, and

Table 4 provides the same average figures for 29 secondary day schools of the Lutheran Church-Missouri Synod, and for one typical school.

Table 1

Independent Day Schools Operations

	Average of 166 Day Schools		School A		School B	
Enrollment	503		722		518	
	Dollars	% of Budget	Dollars	% of Budget	Dollars	% of Budget
Expense per Student						
Instruction	1,027	49.9	1,030	55.4	1,544	54.6
Administration	275	13.3	294	15.9	256	9.1
Student Aid	119	5.8	191	10.3	145	5.1
Other	635	31.0	338	18.4	878	31.2
Total expense	2,056	100.0	1,853	100.0	2,823	100.0
Income per Student						
Tuitions & fees	1,648	81.7	1,559	82.8	2,141	79.8
Endowment	58	2.9	25	1.3	96	3.6
Gift	175	8.7	294	15.6	291	10.8
Public Aid	4	.2	0	0	0	0
Other	131	6.5	5	.3	155	5.8
Total Income	2,016	100.0	1,883	100.0	2,683	100.0
Net	-40	-1.9	30	1.6	-140	5.2

Notes

1. Expense:
   Instruction . . . Faculty salaries; educational materials and supplies
   Administration . . . Administrative salaries and expenses
   Other . . . Plant, food service, general institutional expense

2. Income:
   Public aid . . . Money received from state and federal sources
   Other . . . Income from support services (transportation, food), summer camps, rentals and other auxiliary enterprises

Table 2

Independent Boarding Schools Operations

	Average of 112 Bdg. Schools		School C		School D	
Enrollment	265		181		475	
	Dollars	% of Budget	Dollars	% of Budget	Dollars	% of Budget
Expense per Student						
Instruction	1,233	25.1	1,472	27.0	1,019	26.6
Administration	631	12.8	761	14.0	603	15.7
Student Aid	362	7.4	474	8.7	290	7.6
Other	2,683	54.7	2,730	50.3	1,917	50.1
Total Expense	4,909	100.0	5,437	100.0	3,829	100.0
Income per Student						
Tuitions & fees	3,048	63.2	3,733	74.6	3,065	79.7
Endowment	678	14.1	412	8.2	271	7.0
Gift	462	9.6	547	10.9	352	9.1
Public Aid	12	.2	0	0	0	0
Other	619	12.9	313	6.3	159	4.2
Total Income	4,819	100.0	5,005	100.0	3,847	100.0
Net	-90	-1.8	-432	-7.9	-18	-.5

Notes

1. Expense:
   Instruction . . . Faculty salaries; educational materials and supplies
   Administration . . . Administrative salaries and expenses
   Other . . . Plant, food service, residence halls, general institutional expense

2. Income:
   Public Aid . . . Money received from state and federal sources
   Other . . . Income from support services (transportation, food), summer camps, rentals, and other auxiliary enterprises

Comments on Tables 1 and 2

1. The independent schools are operating marginally with the average of both day and boarding schools showing a net loss of just under 2%, and three of the four typical schools showing losses of 5.2%, 7.9%, and .5%, with one showing a gain of 1.6%.

2. The student aid cost (scholarship funds), amounts to 5.8% of the average expense budget in day schools (10.3% and 5.1% in the illustrations) and 7.4% of the expense budget in the boarding schools (8.7% and 7.6% in the illustrations). It goes as high as 16.4% in some day schools and 30.9% in some boarding schools.

3. The money coming from philanthropic sources, that is, a combination of endowment income (past philanthropy) and gifts (current philanthropy), amounts to 11.6% of the average day school income (16.9% and 14.4% in the two typical illustrations) and 23.7% of the average boarding school income (19.1% and 16.1% in the two typical illustrations.

4. It is clear that this amount of philanthropic support, though relatively modest in terms of its share of the total income budget, provides a critical margin both for operational survival and for the provision of scholarship aid. Without it, and in the absence of any form of public financial aid subsidy of the sort available to higher education from both federal and many state governments, the likelihood of declining quality or financial collapse, on the one hand, and pricing out-of-the-middle-class market, as well as the reduction or elimination of student aid, on the other, is self-evident.

Table 3

Lutheran Church-Missouri Synod - Elementary Day School Operations

Average of 1239 schools

Enrollment	122 (Range 601 - 6)	
	Dollars	% of Budget
Expense per student		
All expenses	$403 (Range $900-242)	100%
Income per student		
Tuition and fees	$125 (Range $760-0)	31%
Endowment	.25	0%
Gifts (contributions to churches and synodical district subsidies for school costs)	$269	66%
Public aid (no cash grants - materials and services only)	0	0
Other income	12	3%
Total Income	$406 (Range $900-250)	100%
Net	$ 3	.73%

Note:

A number of the schools involved in this report operate only prekindergarten or kindergarten programs which may affect the normal elementary school averages to some extent. Also, some schools that report enrollment statistics do not submit complete financial reports. It is impossible to eliminate such schools from those figures. Thus the total expense per pupil on this report is listed as $403 while our computer tabulations of ADM and ADA figures as reported by schools that listed more complete financial statistics indicate an ADM mean of $439 and an ADA mean of $464. One can assume that the income figures on this table have also been skewed downward through similar circumstances by approximately $50 per child.

Table 4

Lutheran Church-Missouri Synod - Secondary Day School Operations

	Average of 29 Schools		Typical School Example	
Enrollment	441 (range 1070-100)		449	
	Dollars	% of Budget	Dollars	% of Budget
Expense per Student				
Instruction	$541	66.8	$594	70.8
Administration	69	8.5	74	8.8
Student Services	14	1.7	0	
Other Expense (excluding debt service)	185	23.	171	20.4
Total Expense	$809	100.0	$839	100.0
Income per Student				
Tuition and fees	$579 (range 1550-375)	70.5	$707	79.
Endowment (est.)	3	.25	1	
Gifts (direct as well as through churches)	208	25.	153	17.
Public Aid	2	.25		
Other Income	32	4.	35	4.
Total Income	$824	100.0	$896	100.0
Net (excluding debt service)	15	1.8	57	6.4

Comments on Tables 3 and 4

1. The Lutheran schools are operating close to the margin with the average elementary school showing a net of less than 1%; the average secondary school less than 2%; and the specific example school, 6.4%, all exclusive of debt service charges which would reduce those margins substantially.

2. The ability to operate is heavily dependent on philanthropic support. In elementary schools the philanthropic support factor, largely coming indirectly through support from the sponsoring church, amounts on the average to 66% of the per student income, with only a tiny fraction coming from endowment; in secondary schools, the philanthropic support factor is on the average 25%, with only a quarter of one per cent additional from endowment, and 17% for the example school.

3. For the great bulk of this group of schools, which are committed to maintain the greatest possible accessibility to those who choose them without regard for ability to pay, it is obvious that the very nature of the schools requires a major reliance on a strong base of philanthropic support derived from a large number of modest contributors.

B. Philanthropic Support Analysis of Independent Schools

This section attempts to shed further light on philanthropic support as it applies to independent schools. It is presented through the actual 1973-74 gift results from the four typical independent schools whose operating figures appear in Tables 1 and 2 on the preceding pages.

1. Gift Support 1973-74 - four typical schools

	School A	School B	School C	School D	
Parents	$194,695	$ 98,499	$ 24,988	$ 29,535	
Alumni	23,083	482,930	350,681	152,918	
Other Individuals	11,275	675,882	83,691	315,826	
Foundations	26,000	10,000	72,790	67,400	
Corporations	105	1,221	11,134	6,383	
					Totals
Total	$255,158	$1,268,532	$543,284	$572,062	$2,639,036
Capital*	29,058	1,078,120	344,571	289,583	1,741,332
Annual Support	226,100	190,412	198,713	282,479	891,704

*Capital gifts obviously vary from school to school and from year to year depending on the timing of capital campaigns, though the trend is toward a continuing capital effort. The most common uses for capital giving are new or improved facilities, and endowment for scholarship aid and faculty salaries. Building of endowment, once a peculiarity of a few schools, is today recognized as an essential need for continual existence and development.

2. Patterns of Giving

The four schools above were the beneficiaries of a total of $2,639,036 in philanthropic support in 1973-74. This sum came from 6351 sources. All but some $195,000 came from individuals - current parents, alumni, past parents, trustees, and other interested individuals. Broken down by size of gift, the following picture emerges.

	School A	B	C	D	Total	
Under $ 100	2,316	1,396	280	673	4,665	(73+%)
100 - 500	297	380	359	249	1,285	(20+%)
500 - 2,000	63	91	15	131	300	(5-%)
2,000 - 5,000	12	7		18	37	
5,000 - 10,000	5	8		16	29	
10,000 - 20,000	6	6		6	18	(2-%)
20,000 - 50,000	1	6	1	5	13	
over 50,000	1	2		1	4	
			Total donors		6,351	
			Total gifts		$2,639,036	

The small (under $100) and moderate ($100-$500) category make up 73% and 20% respectively, or a total of 93% of all the givers; they contribute approximately 30% of the total support; while that is a significant share, it is clear that the large numbers of small and moderate givers, though vitally important, are not enough. At the other end of the spectrum the large ($2,000-$10,000) and the very large ($10,000-over $50,000), are few in number (101 altogether, or less than 2%), but they contribute 56% of the total. At the very top ($20,000 and up), it is estimated that 17 out of over 6,000 givers provided some 30% of the support.

3. Comment on philanthropic support analysis

a) Voluntary support in independent schools is broadly distributed - in four typical schools with combined enrollment of 1896, there were (in 1973-74) 6,351 givers providing total support of $2.6 million, of which $1.7 million was for capital improvement and endowment growth, and $.9 million for operations, the latter covering anywhere from 14.4% to 19.1% of the operating budget.

b) Voluntary philanthropic support runs the gamut from large numbers of modest gifts in the under $100 and $100-500 categories, to a small number of large gifts. Both categories are essential.

V. Conclusions

1. The nonpublic school with some 10% of the total elementary and secondary enrollment is a significant educational resource with roots nearly 350 years old and with modern vitality in both established and newly formed schools.

2. The nonpublic school fills a variety of public purposes including the provision of diversity and the source of new initiatives in educational development.

3. Philanthropy has played and continues to play a key role not only in the founding of new schools, but in the ability of existing schools to operate from year to year and to improve in quality.

4. Nonpublic schools are currently benefiting from widespread philanthropic support, from individuals in the main, but as well from selective foundation and corporate support.

It is important to realize that both the small giver in large numbers and the large giver in smaller numbers play a key role in the support of nonpublic schools, as indeed in other kinds of institutions in the private sector. Large numbers of donors of modest philanthropic ability are essential to maintain an institution's base. The large donor can provide a thrust at critical times in an institution's life to make the difference between a dream and an accomplished goal.

The fact that the average nonpublic school is relatively small in size, as is the case with many other kinds of private institutions, and therefore has a small constituency, means that it is not likely to have more than a

handful of donors of major potential. Against the background of the total annual national philanthropic pool of 24.5 billions of dollars,* even the sum total of major donations does not add up to much. But major gifts are not made to a national pool, but to particular institutions in particular fields. A gift of $500,000 is .002% (two one-thousandths of one per cent) of the annual philanthropic universe; but it may well be 50% or more of a major capital fund raising effort of a particular institution. It is the particularity of philanthropy with respect to particular institutions which needs to be safeguarded as well as the generality.

5. The public policy with regard to philanthropy has to rest on a clear assumption and a broadly based realization that our society and its needs have been, and will continue to be, well served by a vigorous and diverse spectrum of private institutions in the fields of social welfare, culture, health and education. Such a policy will recognize that in those sensitive areas of human existence voluntarism provides a priceless quality of personal choice and commitment which no degree of governmental concern, no matter how well conceived or supported, can replace. It follows that the public policy must be directed not only at refraining from burdening through taxation and other means institutions which are providing service in the public interest, but equally important at providing the widest possible encouragement and incentive to the private sources of support on which they depend. Institutions of private elementary and secondary education, like their counterparts in higher education, the arts, and in health and welfare agencies, are dependent for their future existence and for their freedom on such a policy.

*American Association of Fund Raising Counsel 1973 figures